

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

1370.71A

9/4/91

SUBJ: PROCUREMENT AUTHORITY FOR FEDERAL INFORMATION PROCESSING (FIP) RESOURCES

1. **PURPOSE.** This order provides current information regarding definitions and applicability of the Federal Information Resources Management Regulations (FIRMR).
2. **DISTRIBUTION.** This order is distributed to the branch level in Washington headquarters, regions, and centers.
3. **CANCELLATION.** This order cancels 1370.71, Procurement Authority for Information Resources and ADP, dated April 20, 1990.
4. **BACKGROUND.** The General Services Administration (GSA) has exclusive authority within the Federal Government to acquire, manage, and dispose of Federal Information Processing (FIP) resources. The mechanism used by GSA to manage acquisitions is the Delegation of Procurement Authority (DPA) which authorizes an agency to solicit for and enter into a contract for FIP resources. Within the last few years, the legal definitions and interpretations of information resources management (IRM) have been expanded into almost all areas of automation technology, thus increasing the number of situations in which a DPA is necessary. The FIRMR, for example, now covers projects that are in the Aviation System Capital Investment Plan (CIP) and telecommunications. This order reflects changes in the updated FIRMR which was published April 1991.
5. **EXPLANATION OF CHANGES.** This revision reflects the changes made by GSA with the publication of the new FIRMR in April 1991.
6. **DEFINITIONS.** The new definition of FIP resources in the updated FIRMR supports the changes in Public Law 99-500 which reflect the merging of automatic data processing, telecommunications, and related technologies. The FIRMR defines the following terms:
 - a. Federal Information Processing (FIP) resources means automatic data processing equipment (ADPE) as defined below:

Any equipment or interconnected systems or subsystems of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. The term FIP resources includes FIP equipment, software, services, support services, maintenance, and supplies. It also includes FIP systems; a FIP system means any organized combination of these FIP categories.
 - b. Telecommunications services means "the transmission, emission, or reception of signals, signs, writing, images, sounds, or intelligence of any nature, by wire, cable, satellite, fiber optics, laser, radio, visual, or other electronic, electric, electromagnetic, or acoustically coupled means. The term can include necessary 'telecommunication facilities'." Telecommunications resources are FIP resources.
7. **SCOPE.** This order applies to all personnel who are initiating acquisitions covered under the FIRMR, regardless of the dollar value.

8. RESPONSIBILITIES. The Office of Management Systems (AMS):

- a. Performs staff functions for FAA in support of FIRMR acquisitions through the Information Resources Management Division, AMS-300.
- b. Serves as the focal point for FIRMR interpretations, working closely with the Office of the Chief Counsel and the Logistics Service.
- c. Serves as the focal point for determining the applicability of FIRMR exceptions, limited delegations, and the radar and radio systems exclusion.
- d. Serves as the focal point for interpreting the mandatory use regulations and guidance for FTS 2000 and for determining applicability of FTS 2000 exception criteria.
- e. Assists program offices in determining the applicability of FIRMR definitions to their specific projects.
- f. Assists program offices in determining the adequacy of supporting documentation.
- g. Provides briefings or seminars on FIRMR issues.

9. APPLICABILITY.

a. DPA's are issued in two forms by GSA: blanket delegations apply to acquisitions below a specified dollar level; specific delegations are used where no blanket delegation is applicable. The blanket delegations are given at the Department level. The Office of the Secretary of Transportation (OST) has, in general, redelegated that blanket procurement authority to FAA for competitive procurements below \$300,000, and below \$50,000 for those conducted with less than full and open competition. Appendix 1, DPA Thresholds, lists the current blanket delegation levels for various types of acquisition for each of the categories of FIP resources.

b. Program offices must comply with FIRMR regulations for all FIP acquisitions, even where a specific delegation is not required. This means that a requirements analysis, analysis of alternatives and cost/benefit analysis must be completed for ALL FIP acquisitions. However, there is minimal paperwork required for low value projects. Pertinent rules are summarized in the current version of Order 1370.52, Information Resources Management-Policies and Procedures.

c. There are some exceptions to FIRMR applicability. In general, the FIRMR does not apply to radar, sonar, radio, or television equipment.

d. The FIRMR applies when the solicitation or contract requires the performance of a service or the furnishing of a product that is performed or produced making significant use of FIP resources that are not incidental to the performance of the contract.

(1) Significant use means the service or product of the contract could not reasonably be produced without the use of FIP resources AND the dollar value of FIP resources expended by the contractor to perform the service or furnish the product is expected to exceed \$500,000 or 20 percent of the estimated cost of the contract, whichever is lower.

(2) Incidental use means none of the principal tasks of the contract depend directly on the use of FIP resources OR the requirements of the contract do not have the effect of substantially restricting the contractor's discretion in the acquisition and management of FIP resources, whether the use of FIP resources is or is not specifically stated in the contract.

e. The FIRM does not apply to embedded FIP resources when the embedded equipment would need to be substantially modified to be used other than as an integral part of the product; or the dollar value of the embedded FIP equipment is less than \$500,000 or 20% of the value of the product, whichever amount is lower.

f. When both FIP and non-FIP resources are being acquired under the same solicitation or contract, the specific provisions of the FIRM apply only to the FIP resources.

10. AMENDMENTS. A new or amended DPA is required whenever there are material changes from the information originally provided. There is a distinction between the "scope of a contract" and the "scope of the DPA"—an amended DPA may be necessary even when the contract scope remains unchanged. For example, if you have a general office support contract which was not subject to the FIRM, and you decide to have the contract establish an automated project tracking system or generate computer graphics for presentations, you would need to comply with the FIRM to authorize these tasks; compliance may or may not require you to obtain a specific DPA, depending on the thresholds involved.

11. TIMELINESS. Program offices must allow sufficient processing time for obtaining a DPA. The Agency Procurement Request (APR) for a specific delegation will take from 30 to 90 days or more, depending on whether FAA, OST, or GSA approval is necessary.

12. A GUIDE TO THE PREPARATION OF AGENCY PROCUREMENT REQUESTS. The Office of Management Systems has developed a guide to assist in preparing requests for procurement authority. The guide discusses the required documents, and considerations for their preparation. The guide also includes a sample completed APR and checklists, and a variety of other FIRM information. The guide can be obtained from AMS-340 by calling 267-3138.



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APPENDIX 1. DPA THRESHOLDS

DPA THRESHOLDS 4/29/91						
	<i>FULL AND OPEN COMPETITION (inc. 8(a))</i>			<i>OTHER THAN FULL AND OPEN COMPETITION AND SPECIFIC MAKE/MODEL</i>		
	FAA	OST	GSA	FAA	OST	GSA
FIP EQUIPMENT	\$0-300K	\$300K-2.5M	\$2.5M+	\$0-50K	\$50K-250K	\$250K+
FIP SOFTWARE	\$0-300K	\$300K-2.5M	\$2.5M+	\$0-50K	\$50K-250K	\$250K+
FIP SERVICES	\$0-300K	\$300K-2.5M	\$2.5M+	\$0-50K	\$50K-250K	\$250K+
FIP SUPPORT SERVICES (includes FIP Maintenance)	\$0-300K	\$300K-2.5M	\$2.5M+	\$0-50K	\$50K-250K	\$250K+

Notes:

FAA delegations are aggregated when considering the delegation level necessary, i.e., \$100K Equipment + \$150K Software + \$75K Maintenance requires DOT delegation even for full and open competition.

GSA delegations are considered by category, i.e., \$2M Equipment + \$700K Software can be delegated by OST.

The dollar threshold for each category applies to the total contract obligation (contract life).

